

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY, CALIFORNIA
AND RECORD OF ACTION**

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February 10, 2004

FROM: MARK H. UFFER, Director
Arrowhead Regional Medical Center

SUBJECT: SIEMENS MEDICAL SYSTEMS, INCORPORATED – PURCHASE ORDER

RECOMMENDATION:

1. Find it is in the County's best interest to increase the existing Purchase Order with Siemens Medical Systems, Inc. to provide service and repair to proprietary equipment in use at Arrowhead Regional Medical Center.
2. Authorize the Purchasing Agent to increase the existing Purchase Order with Siemens Medical Systems, Inc. by \$150,000 for a total amount not-to-exceed \$300,000 for Fiscal Year 2003/04.

BACKGROUND INFORMATION: Per County Policy 11-05, Board of Supervisors approval is needed for the purchase of sole source services in excess of \$25,000.

The Medical Center's Medical Imaging Department utilizes a variety of equipment to assist physicians in the diagnosis of patient illnesses and injuries. This equipment was purchased during the hospital replacement project in 1999, and all of the equipment purchased included a warranty. Currently, most of the original warranties for this equipment have expired and maintenance of the equipment is now obtained on a time and material basis.

On August 5, 2003, the Board of Supervisors authorized an increase of \$125,000 for a total amount of \$150,000 to the current PO with Siemens Medical Systems, Inc. Since that time, the Medical Center has made thirty-two service calls to Siemens ranging in price from \$470 to \$40,000, for a total of \$130,500 for service and parts to the Siemens equipment.

Currently, the Ion Detector in the Medical Center's Siemens Thorax/Vertex FD Chest Room is in need of service and repair. The Ion Detector creates a digital image (X-ray) and sends it to the Picture Archive and Communication System (PACS) where it is available for reading and interpretation by physicians. If the Ion Detector were to completely fail the Medical Center would have no way of sending images to PACS for interpretation.

Additionally, the lens on the Siemens ECAM Dual Head Gama Camera, which is used in thyroid testing, is inadequate. The lens needs to be replaced in order to appropriately perform the thyroid testing.

To service the Ion Detector and the ECAM Dual Head Gama Camera, the Medical Center expects to expend approximately \$40,000 and \$18,000 respectively. The remaining amount on the purchase order, approximately \$111,500, will provide the Medical Center the resources needed to ensure timely repairs to equipment and remain in compliance with purchasing policies.

The Medical Center expects to procure for these services in February 2004.

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The Medical Center is requesting Board of Supervisors approval for the Purchasing Agent to increase the existing purchase order with Siemens Medical Systems, Inc. as much of the Medical Imaging equipment is proprietary in nature, and to meet regulatory agency requirements, this equipment must be serviced by Siemens factory trained personnel.

REVIEW AND APPROVAL BY OTHERS: This item has been reviewed by County Purchasing (Aurelio De La Torre, Director, 387-2074) on January 27, 2004, County Counsel (Michelle Blakemore, Deputy County Counsel, 387-5445) on January 27, 2004, and the County Administrative Office (Bea Valdez, Administrative Analyst, 386-8145) on February 2, 2004.

FINANCIAL IMPACT: This Purchase Order is for an additional amount of \$150,000 for a total amount not-to-exceed \$300,000. This PO does not present a financial increase over the Board approved PO from last year and imposes no local county cost. Funds are available in the Medical Center's FY 2003/04 budget.

COST REDUCTION REVIEW: The County Administrative Office has reviewed this agenda item and recommends approval since these services are necessary to maintain current Medical Center equipment, which is essential for the health and welfare of the Medical Center's patients. There is no local cost as a result of this Purchase Order.

SUPERVISORIAL DISTRICT(S): All

PRESENTER: Mark H. Uffer, Director, Arrowhead Regional Medical Center, 580-6150

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